



# CITY OF LESLIE

602 W. Bellevue • P.O. Box 496 • Leslie, MI 49251-0496  
Phone: 517-589-8236 • Fax: 517-878-6868 • Web Site: [www.cityofleslie.org](http://www.cityofleslie.org)

**LESLIE COUNCIL SPECIAL MEETING  
7:00 PM TUESDAY, MARCH 30, 2021  
LESLIE CITY HALL, 602 W. BELLEVUE STREET**

**A special meeting for the purpose of reviewing a prequalification status requirement in a Purchase Agreement and determining if requirement has been satisfied.**

## **AGENDA**

1. Roll Call.
2. Pledge of Allegiance.
3. Approval of The Agenda.
4. Public Comment.
5. Prequalification Status Requirement in Purchase Agreement for Sale of Land to 024, Well, LLC.
6. Motion to Adjourn.

## PURCHASE AGREEMENT

The **LESLIE LOCAL DEVELOPMENT FINANCE AUTHORITY**, a Michigan governmental unit and agency of the City of Leslie, ("LDFA") and the **CITY OF LESLIE**, a Michigan municipal corporation "City") (collectively LDFA and City may be referred to as "Seller") and **O24 WELL, LLC**, A Pennsylvania Limited Liability Company (the "Purchaser"), enter into this Agreement on the date of last signing by Seller and Purchaser below ("Agreement"), for the transfer of the property in the Business Park in the City of Leslie, consisting of approximately 5.5925 acres, adjacent and contiguous to the parcel owned by Purchaser, according to the survey attached and depicted on **Exhibit A**("Property"), which is incorporated herein by reference and made a part hereof, on the following terms and conditions:

1. *Consideration.* The consideration for the transfer of the Property shall be the sum of One Hundred Sixteen Thousand Four Hundred Forty Four and 60/100 Dollars (\$116,440.60) i.e. \$20,000.00 for 1 acre and \$21,000.00 for each additional acre, or fraction thereof (the "Purchase Price") to be paid in cash or readily available funds at closing.

2. *Conveyance.* At the closing, the Seller agrees to convey the Property to the Purchaser, or its designee if approved by Seller by Warranty Deed, subject to easements and restrictions of record, the right of repurchase in Paragraph 8 below, and the terms and conditions of the Protective Covenants of the Leslie Business Park, including specifically the prohibition against any retail sales of any kind to the public from any use or business conducted on the Property. No split rights or land division rights shall be included in the transfer.

3. *Taxes and Assessments.* Purchaser shall be responsible for all *ad valorem* real estate taxes and assessments following the Date of Closing.

5. *Closing.* The closing shall be held at a mutually agreed upon time, and coordinated through the offices of Transnation in East Lansing Michigan. Transnation Title shall not act as the escrow, hold any funds and act as closing agent, unless otherwise designated by Seller. In no event shall closing occur later than Ten (10) days following Purchaser's receipt of a Phase I pre-approval to operate letter issued to Purchaser or its approved tenant, receipt and approval of the Survey, satisfaction of all conditions precedent to close; provided, closing shall occur on or before \_\_\_\_\_ or this Agreement may be terminated by Seller. Purchaser shall pay be responsible for any recording fees and agrees to fully reimburse Seller for the cost of the Survey in the amount of \$1500.00 at closing. In addition, Purchaser shall execute and deliver a property transfer affidavit to the City Assessor. Each party shall sign a closing statement memorializing the transaction.

6. *Title Insurance.* Seller shall pay for and deliver to Purchaser an owner's title insurance policy with standard exceptions, in the amount of the Purchase Price. If the title insurance commitment discloses any exceptions not acceptable to Purchaser, Purchaser shall notify Seller within seven (7) days of receipt of the commitment. Seller shall then have twenty (20) days within which to cure such defects and to furnish a commitment showing such exceptions removed. If objectionable exceptions are not removed or waived within the twenty (20) day cure period, Purchaser may elect not to proceed upon giving to Seller written notice of such election, in which event this Agreement and the obligations of Seller and Purchaser shall be terminated and of no further force or effect. If Purchaser does not timely give such notice, then Purchaser shall conclusively be deemed to have waived the objection and shall proceed to closing. Purchaser shall be responsible for signing such supplemental documents as may be required by the underwriter as a condition for issuance of the Title Policy and to pay any fees

charged by the Title Company other than the premium for such Owner's Policy.

7. *Contingencies.* This transaction shall be contingent upon the satisfaction or written waiver of all the following conditions:

- (a) Seller and Purchaser approving the Survey.
- (b) Completion of a lot split for the Property and a subsequent combination of the Property with Purchaser's existing parcel to create a single taxable parcel.
- (c) Seller's Approval of Purchaser's building and site plan, and proof and source of funds or financing.
- (d) Purchaser's receipt of any and all approvals, licensing and permits for the development of the Property as a Class C Medical Grow Facility.

8. *Conditions.* The closing and conveyance shall be subject to the following additional restrictions and covenants, which are agreed to be a material inducement and part of the consideration for Seller's entry into this transaction. These provisions shall be included in the deed to be delivered from Seller to Purchaser: (1) Construction of approved buildings upon the Property building site shall begin no later than twelve (12) months from the date of closing on the Contract, and construction shall be completed within twenty-four (24) months after the start of construction. If construction has not begun or has not been completed within the time limits specified above, the City of Leslie, its successors, or assigns may in its absolute discretion extend the completion time in writing. The City of Leslie also retains the option, which shall survive closing, of refunding the Purchase Price and taking possession of the land if actual physical construction of the Property pursuant to a building permit does not begin in a timely manner. At the time of such refund of the Purchase Price, the Purchaser shall execute and

deliver to the City of Leslie a good and sufficient Covenant deed to reconvey the Property to Seller. If Purchaser fails or refuses to re-convey the Property within ten (10) days following written demand and tender of the refund, then Seller may file a claim of interest with the Ingham County Register of Deeds and Purchaser shall be responsible for any and all costs incurred by Seller, including attorney fees incurred in regaining possession of and title to the Property.

9. *Due Diligence.* Purchaser is familiar with the Property and agrees waive any due diligence investigation of the Property, and agrees to proceed to closing upon satisfaction or waiver of all contingencies and conditions..

10. *Possession.* The Seller shall deliver possession of the Property to the Purchaser at the closing.

11. *Representations and Warranties of Seller.* The property is being sold “as-is” without any representations or warranties except as follows:

- (a) All necessary approvals have been received by Seller, and Seller has the legal power and authority to execute, deliver and perform this Agreement, which shall be binding upon Seller and enforceable in accordance with its terms.
- (b) No exclusivity is granted to Purchaser on any other property in the Leslie Business Park, and Seller is free to market or advertise the remainder of the Business Park property in any way or negotiate with any other party with a view to selling or leasing the property or any portion thereof. No exclusive use provisions or conditions form a part of the Contract.
- (c) Purchaser shall be solely responsible for any permits and expenses, including tap fees, relating to providing or extending water, storm or

sewer, and all utilities, from the existing locations to support the needs and use of Purchaser.

12. *Representations and Warranties of Purchaser.* Purchaser represents and warrants, which representations and warranties shall be deemed to have been reaffirmed at and shall survive the closing as follows:

- (a) Purchaser is a limited liability company, duly formed and validly existing pursuant to the laws of the State of Pennsylvania. The person signing this Agreement and any documents and instruments in connection herewith on behalf of the Purchaser has full company power and authority to do so.
- (b) All necessary company action has been taken to duly authorize the execution and delivery of this Agreement and all documents and instruments contemplated by this Agreement, and the performance by Purchaser of the covenants and obligations to be performed and carried out by it hereunder.
- (c) Purchaser agrees to defend and indemnify Seller and hold it harmless from and against any and all claims, demands, liabilities, costs, expenses, penalties, damages and losses, including, but not limited to, reasonable attorneys' fees and disbursements resulting from any misrepresentation or breach of this Agreement by Purchaser, its employees, agents or assigns.

13. *Real estate brokers.* The parties represent to one another that no real estate brokers are involved in this transaction. Each party indemnifies the other against the claims of any brokers who allege that they represented a party or are entitled to a commission or fee as a result of the transaction.

14. *Transfer and Assignment following closing.* Purchaser shall not sell or lease all or any portion of the Property to any third party without the written consent of the City and the Leslie Local Development Finance Authority.

This section is not intended to prohibit the transfer of the Property but any approved transferee shall take possession subject to all the conditions and restrictions contained in this Agreement and any lease shall so state. In the event Purchaser shall transfer, sell, lease or convey ("Transfer") any interest in, or portion of, the Property, any such Transfer shall be subject to any and all site plan conditions and the Protective Covenants of the Leslie Business Park including specifically the prohibition against any retail sales of any kind to the public from any use or business conducted on the Property. This condition shall survive closing.

15. *Notices.* All notices required by this Agreement shall be sent to the other party in writing. The notices shall be delivered either personally or by overnight delivery by recognized carrier to:

IF TO SELLER, TO: City of Leslie  
Attn: Susan Montenegro, City Manager  
and  
Leslie Local Development Finance Authority  
Attn: Barbara J. Winslow

602 W. Bellevue Street  
P.O. Box 496  
Leslie, MI 49251

WITH COPY TO: Grua, Tupper & Young, PLC  
Attn: Mark Grua  
2401 East Grand River Avenue  
Lansing, MI 48912  
Phone: (517) 487-8300  
Fax: (517) 487-8306  
Email: [grua@wedolawinlansing.com](mailto:grua@wedolawinlansing.com)

IF TO PURCHASER, TO: O24 WELL, LLC  
Attn: Karl L. Knoneberg  
2472 Jefferson Ave  
Washington, PA 15301

16. *Successors and assigns.* This Agreement shall bind and benefit the parties and their successors or assigns.

17. *Time is the essence.* Time is the essence in the performance of this Agreement.

18. *Amendment.* This agreement may not be amended except in writing by the person against whom enforcement of any waiver, change, or discharge is sought.

19. *Entire agreement.* This Agreement contains the entire understanding between the parties. All prior communications concerning the subject matter are merged into this Agreement.

20. *Drafting.* Each party has had the opportunity to review and discuss this Agreement with legal counsel. Accordingly, in the event of a dispute or question regarding interpretation of its terms, the Agreement shall not be construed for or against a party.

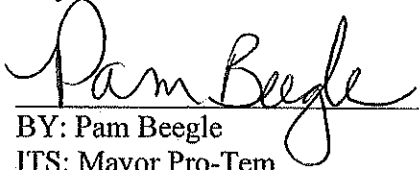
21. *Survival.* The terms, conditions, representations and warranties contained in this Agreement shall not merge into the deed and shall survive the closing of this transaction.

22. *Electronic; counterparts.* The parties agree that the offer, any counteroffer and/or acceptance of any offer or counteroffer may be delivered by use of a fax, pdf, scan or email attachment and the signatures, initials and modifications shall be deemed to be valid and binding upon the parties as if the original signatures, initials and modification were present on the documents in the handwriting of each party. Each party agrees to provide an original signed document to the other upon request. This Agreement may also be signed in counterparts with the same effect as if the signature of each counterpart were upon the same instrument.

23. *Governing Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of Michigan.



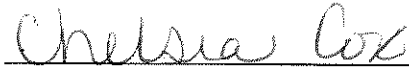
SELLER:  
City of Leslie

  
\_\_\_\_\_

BY: Pam Beegle

ITS: Mayor Pro-Tem

Date: 1-15-21

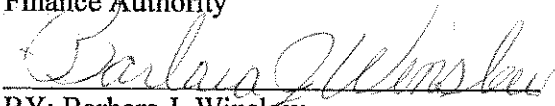
  
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BY: Chelsea Cox

ITS: City Clerk

Date: 1/15/21

Leslie Local Development  
Finance Authority

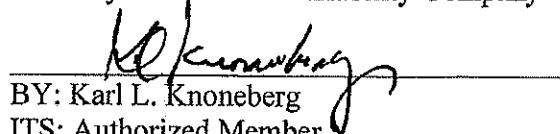
  
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BY: Barbara J. Winslow

ITS: Chair

Date: 1-15-21

PURCHASER:  
024 Well, LLC  
a Pennsylvania Limited Liability Company

  
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BY: Karl L. Knoneberg

ITS: Authorized Member

Date: 12 JAN 2021